

Canadian Cottons Limited

MONTREAL, CANADA

NINTH ANNUAL REPORT

FOR YEAR ENDING 31ST MARCH, 1919

PRESENTED TO THE SHAREHOLDERS
AT THE ANNUAL MEETING OF THE COMPANY
HELD AT MONTREAL, THE 13TH MAY, 1919.

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BOARD OF DIRECTORS

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CHAS. R. HOSMER

Vice-President

A. O. DAWSON

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GEORGE CAVERHILL SIR H. MONTAGU ALLAN
W. J. MORRICE

A. O. DAWSON, *Managing Director*
A. BRUCE, *Secretary-Treasurer*

Canadian Cottons Limited

TO THE SHAREHOLDERS:

YOUR Directors are pleased to submit to the Shareholders their Annual Report of the operations of the Company for the year ending 31st March, 1919.

Manufacturing Profits and Rentals amount to \$1,163,103.82, after making allowance for depreciation and Dominion War Tax, as compared with \$836,125.99 for the previous year.

Bond Interest and Dividends on Preferred and Common Shares were paid amounting to \$382,620, and \$15,000 was added to the Reserve for bad debts, also the sum of \$200,000 has been appropriated for special renewals and replacements, leaving a balance of \$355,783.82 to carry to the Credit of Profit and Loss Account.

The statement shows a substantial reduction in Current Liabilities, the surplus of liquid Assets over Current Liability now amounting to \$2,001,381.

Your Directors are pleased to state that the relations between the Company and its employees have been extremely satisfactory during the year, and they take this opportunity to record their appreciation of the service thus rendered.

Prior to the signing of the Armistice, a portion of the mills product was devoted to Government requirements. These Government orders of necessity were cancelled, but

the demand from the home trade was sufficient to keep all the looms fully occupied.

The outlook for the coming year is hopeful, as, in addition to a steady demand from the home trade, it is expected that generous orders will be available from our allies overseas.

The Books and Accounts of the Company have been duly audited, and the Auditor's Report is submitted herewith.

Respectfully submitted,

CHAS. R. HOSMER,

President.

Canadian Cotton

MANUFACTURING

FOR YEAR ENDING

DR.

To Raw Material, Manufacturing Cost, Marketing of Products, Administration, Repairs, Maintenance, proportion deferred charges and War Taxes to date - - - - -	\$9,291,197.06
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To Balance	
Net Profits to Profit and Loss Account - -	1,365,103.82
	<u>\$10,656,300.88</u>

PROFIT AND LOSS

FOR YEAR ENDING

To Bond Interest 5% - -	\$209,700.00	
Four Dividends of $1\frac{1}{2}\%$ each on Preferred Shares - -	219,690.00	
Four Dividends of $1\frac{1}{2}\%$ each on Common Shares - - -	<u>162,930.00</u>	\$592,320.00
Reserve for Bad Debts - -		15,000.00
Reserve for Special Replacements		200,000.00
Depreciation on Plant - -		400,000.00
Balance forward - - -		355,783.82
		<u>\$1,563,103.82</u>

ons, Limited

ING ACCOUNT

1ST MARCH, 1919

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By Sales - - - - - \$10,828,326.63

Add inventory of Cloth and Cotton in process of

Manufacture, 31st March, 1919 - - - 565,571.90

\$11,393,898.53

Less inventory of Cloth and Process on hand

31st March, 1918 - - - - - 737,597.65

\$10,656,300.88

SS ACCOUNT

31ST MARCH, 1919

By Net Manufacturing Profits - - - - \$1,365,103.82

By Rental, Mount Royal Spinning Mill, - - 198,000.00

\$1,563,103.82

Canadian Cotton

GENERAL

YEAR ENDING

ASSETS

Cash - - - - - \$76,058.08

Book Debts, net cash basis, Bills

Receivable and Sundry Open

Accounts - - - - - 1,693,794.28

Inventory of

Cloth - - - \$359,568.88

Process and Yarns 221,768.89

Raw Cotton - 473,021.51

Supplies - - 227,048.61

Insurance unearned 66,670.00

1,348,077.89

Victory War Loan Bonds - 225,000.00

Total Current Assets \$3,342,930.25

Bonds, available against Liability - 432,000.00

Bonds available for Sinking Fund - 214,547.47

Stocks in other Companies and
advances, including Discount on

Bonds - - - - - 208,800.00

PROPERTIES

Mills, Properties, Plants, Waterpowers, etc. - \$10,665,165.07

\$14,863,442.79

Montreal, 29th April, 1919

Verified, ARTHUR H. PLIMSOLL, F.C.A. (Can.), Auditor.

ons, Limited

STATEMENT

1ST MARCH, 1919

<u>LIABILITIES</u>			
Bank Advances	-	-	\$150,000.00
Open Accounts including Estimated			
Tax Reserve	-	-	624,198.32
Bond Interest accrued and Divi-			
dends payable April 4th	-	-	148,155.00
Bills payable	-	-	419,196.16
Total Current Liability			\$1,341,549.48
<u>BONDS</u>	-	-	5,000,000.00
Less redeemed	-	-	374,000.00
			4,626,000.00
<u>CAPITAL</u>			
Preferred Authorized,			
\$4,500,000.00	-	- Issued	3,661,500.00
Common Authorized,			
\$3,500,000.00	-	- Issued	2,715,500.00
Reserve for Bad Debts	-	-	90,000.00
Reserve for Special Replacements			200,000.00
<u>SURPLUS</u>			
Balance at Credit of Profit and			
Loss, 31st March, 1918	-	1,873,109.49	
Balance of Profits to			
31st March, 1919		355,783.82	
			2,228,893.31
<u>INDIRECT LIABILITIES</u>			
Customers' paper under discount		\$180,568.41	\$14,863,442.79

W. J. MORRICE }
A. O. DAWSON } Directors.

AUDITOR'S CERTIFICATE

I have examined the Books and Accounts of Canadian Cottons, Limited, for the year ending the 31st of March, 1919.

I have obtained all the information and explanations required, and now certify that in my opinion the foregoing statements and balance sheet are properly drawn up so as to exhibit a true and correct view of the year's operations and of the state of the Company's affairs at its close, according to the best of my information and the explanations given to me and as then shown by the books of the Company.

ARTHUR H. PLIMSOLL,
F.C.A. (Can.)

Montreal, April 29th, 1919.

